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Italy: Could the Communists Enter the Next Government

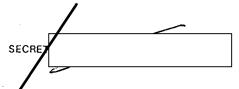
Summary

The failure thus far of the Socialists and Christian Democrats to resolve their bitter conflict over the leadership of the five party coalition raises a distinct--though still unlikely--possibility that the coalition might break up after Prime Minister Goria's expected resignation sometime in the next two months. If this occurs, one possible outcome would be the entrance of the Communists into national government, probably in a coalition with the Christian Democrats. This would be most likely, in our judgment, if President Cossiga tries to head off another round of early elections by appointing a "national unity government" with a mandate to reform Italy's chaotic parliamentary and electoral institutions. If admitted into a governing coalition, the Communists would almost certainly be excluded from sensitive ministries, and might only be represented in the cabinet by members of their affiliated grouping, the "independent left." Communist participation in the national government would almost certainly have an adverse impact on selected US security interests in Italy, such as out of area cooperation in the Persian Gulf and willingness to accept the transfer of the 401st Tactical Fighter Wing from Spain.

1. Why is Communist Party (PCI) participation in government more conceivable now than in the recent past?

The success of the five party center-left coalition has precluded PCI participation in national policymaking since the late 1970s--when the PCI provided outside parliamentary support to Christian Democratic-led governments. The survival of the coalition appears

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to be in some jeopardy now, however, due to the festering conflict between the Socialists and the Christian Democrats over the possession of the Prime Minister's office. During the past twelve months, Socialist leader Bettino Craxi has successively blocked the appointment to the post of the two most senior Christian Democrats, party leader Ciriaco De Mita and Foreign Minister Giulio Andreotti.

The Christian Democrats are angry over Craxi's obstructionism and are determined now to lead a reasonably strong and durable government. The formation of a new five party coalition following Goria's resignation will probably depend on Craxi giving a credible assurance of support to a government headed by a senior Christian Democrat.

2. What is the current state of Christian Democratic relations with the PCI?

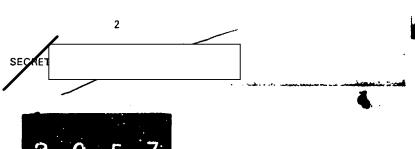
The Christian Democrats have made modest efforts in the last six months to improve their relations with the Communists. At the local level, for instance, the Christian Democrats have broken away from the five party formula in one major city, Palermo, forming a government with the "independent left" which is closely associated with the PCI. More recently, De Mita has held direct discussions with PCI leader Alessandro Natta on the controversial issues of reforming electoral and parliamentary institutions, which the Italian parliament is scheduled to consider in the near future. De Mita has even publicly raised the possibility that the Christian Democrats might independently negotiate with the PCI over these issues at the same time that it negotiates within the five party coalition.

While the Socialists have also formed governing coalitions with the PCI in several major cities and have discussed institutional reform questions with the PCI leadership, they have combined these overtures with sharp attacks on the PCI. Following Moscow's recent decision to rehabilitate Bukharin, for instance, they played up the involvement of celebrated Italian Communist leader Palmiro Togliatti in the Soviet purges of the 1930s to embarrass the PCI. These attacks have probably greatly reduced chances for Socialist-Communist cooperation in the near future. In contrast Christian Democratic relations with the Communists have recently been free of any obvious tensions.

3. What are the views inside the Christian Democratic Party about bringing the Communists into national governance?

The key factor behind a possible Christian Democratic decision to work with the Communists would be the views of the Centrist factions, which represent anywhere from 40 to 60 percent of the party. Their views would outweigh both the party's left wing, which has traditionally been amenable to cooperation with the PCI because it strongly distrusts the Socialists, and the right wing which has close ties to the Vatican and is opposed to dealing with the Communists.

Leaders of the Centrist factions--including Antonio Gava, Arnaldo Forlani, and Giulio Andreotti--have in recent years opposed cooperation with the PCI and, in fact, came close to dumping De Mita last year because they thought his tough-minded approach to



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| Craxi was inexorably leading the party toward such cooperation. Press reporting suggest that many in the party's center are now reconsidering toward the PCI because they are getting fed up with Craxi's obstructionism and view the PCI as a declining—and therefore less ominous—force after its substantial vote losses in the June 1987 election. Gava, for example, said publicly late last year that Christian Democratic cooperation with the PCI was becoming more thinkable due to the general decline in East—West tensions. Andreotti is keeping his current views close to the vest, but he played a key role in forging Christian Democratic-Communist cooperation efforts |
| in the late 1970s. He is probably opportunistic enough to do so again if he sees no realistic alternative—especially if he were asked to head the government that would arise from these efforts. |
| 4. What are the views within the Communist Party about cooperation with the Christian Democrats. |
| Since the collapse of its cooperation arrangement with the Christian Democrats in the late 1970s, the PCI has sought a "democratic alternative" coalition with the Socialists and other leftist forces. Recently, however, the party leadership has begun to respond to the Socialists' disinterest in cooperation by pursuing a more flexible alliance policy. Party Vice Secretary and heir apparent Achille Occhetto announced that the party now favors the formation of a "government of national salvation," which would include the major "democratic" parties and would work toward specific institutional and socioeconomic reforms. The party, in our judgment, would be united in a decision to join such a broad-based national unity government, if one were to materialize. |
| A decision to join a government directly with the Christian Democrats and without the Socialists would be more controversial and would likely be opposed by both extremes of the party. The right wing "social democratic" factionrepresenting no more than about a fifth of the party and headed by Giorgio Napolitano would probably oppose such cooperation since it continues to espouse an alliance with the Socialists while the party's left wing would object on ideological grounds. The party's dominant centrist faction, which includes Natta and Occhetto, however, would likely consider cooperation with the Christian Democrats as a way out of the party's political isolation. |
| 5. What are the odds that the five party coalition will hang together following the expected resignation of the Goria government? |
| Although formation of a new five party government appears fairly likely at this point, it is far from a sure bet. Democratic contacts with the PCL should Socialist relations with the Christian be somewhat more flexible about the leadership issue in order to preserve the coalition. He is willing to allow De Mita to assume the Prime Ministership provided that De Mita leaves his post as party leader. Craxi fears that if De Mita held both top positions, he would be strong enough to make a user with the PCL should Socialist relations with the Christian Democrats deteriorate again. |
| De Mita may accept Craxi's conditions Deca use ne is uneauly racing strong pressure f rom Gava, Forlani, and other Christian Democratic heavy weights to step down from the party leadership. If De Mita does accept the prime minister's job, he is likely to demand that Craxi provide a credible |
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assurance of sustained support by agreeing to serve in the next government. Craxi might refuse such conditions because he would want to be able to bring De Mita down in the not too distant future.

If De Mita tried to remain party secretary, the Christian Democrats might put

forward Andreotti as their candidate for the Prime Ministership

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Andreotti would be more willing and capable than De Mita of making a deal with the
Communists. In this case, Craxi might try to force an early election in the hope of
making gains at the expense of the Christian Democrats, who would be saddled with the
failure of the Goria government.

6. What might happen if negotiations to form a new coalition reached an impasse?

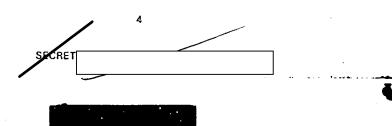
If efforts to form a new coalition fail, President Cossiga would face the choice of either calling early elections or seeking a novel governing arrangement outside the five party formula. We think there is a reasonably good chance that Cossiga would follow the second path because, as a dedicated constitutionalist, he would recoil at the prospect of an election held only one year after the previous election, which itself was called prematurely. He would be most likely, in our judgment, to ask a leading Christian Democrat such as De Mita or Andreotti to form a national unity government including both the Socialists and Communists. The government would have as its major objective the reform of Italian political institutions.

Both the Christian Democrats and the Communists would probably agree to serve in a national unity government. The Socialists, however, would face a difficult choice. If they joined, they would help to bolster the prestige of their Communist archrivals, but if they stayed out, they would risk a Christian Democratic-Communist government that might enact parliamentary and electoral reforms inimical to their political interests. We suspect that Craxi, an inveterate gambler, would decide to stay out of the government in the hope that it would prove a failure and that the Socialists would then be in a position to score dramatic gains at the expense of both the Communists and the Christian Democrats.

If the Socialists refused to participate, the Christian Democrats might still form a government with the PCI that also included the small but prestigious Republican party. Republican party leader Giorgio La Malfa has, in fact, become increasingly critical of Craxi's obstructionism and recently said that his party no longer objects to the inclusion of the PCI in the national government.

7. What type of representation would the PCI obtain in a coalition government with the Christian Democrats?

The PCI has recently said it would lend outside support to a national unity government if it received clear guarantees that agreed upon institutional and socioeconomic reforms would be passed. We suspect, however, that the PCI would demand a share of governmental power if it actually agreed to join a coalition. The Christian Democrats would probably find appealing and the Communists acceptable a government that included members of the parliamentary "independent left"—leftist



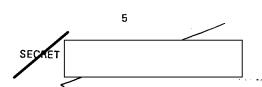
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intellectuals who do not actually belong to the PCI but benefit from the party's electoral support. The Christian Democrats would almost certainly ensure that either independent leftists or Communists—if the PCI insisted on direct representation—were kept out of sensitive portfolios such as defense, foreign affairs, or internal security.

8. What would be the implications for the US of PCI participation in Italian national governance?

The PCI has evolved over the years into a reasonably moderate western-oriented party that appears genuinely to accept Italy's mixed economic system and Italian participation in NATO. At the same time, the PCI maintains a basically pacifist outlook, strongly favoring arms reduction and generally opposing the use of force. The PCI's attitudes are shared, to a considerable extent, by powerful Catholic elements within the Christian Democratic party. Thus, a Christian Democratic-Communist coalition government would probably be unwilling to contribute troops to out of area operations in the Persian Gulf or elsewhere and to expand NATO deployments in Italy by accepting the transfer of the 401st Tactical Fighter Wing from Spain



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